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Date: Thursday, 11 September 2025

Dear Councillor,

Overview and Scrutiny Management Committee

A meeting of the **Overview and Scrutiny Management Committee** will be held at **10:00** on **Friday, 19 September 2025** in **Room 77**.

The Agenda for the meeting is attached and reports are enclosed where relevant.

Please Note: It is likely that the public, (including the Press) will be excluded from the meeting during discussions of exempt items since they involve the possible disclosure of exempt information as describe in Schedule 12A of the Local Government Act 1972.

Yours faithfully,

Head Of Governance

OSMC

To: **Membership:**
Councillor Burton, Gardiner, Hale, Hofman, Kemp, Pantelakis, Payne, Randall and Robinson (C)

Portfolio Holders:
Cllr Ross, Leader of the Council
Cllr Dad, Deputy Leader of the Council

Officers:
Ian Anderson, Director of Legal Services and Partnerships
David Bell, Director of Finance and Transformation
Amanda Fenton, Principal Members Support Officer
Alex Holgate, Head of Governance (x5)

For Information:
Reference Library (Public Set)

Overview and Scrutiny Management Committee

10:00 on **Friday, 19 September 2025**

Room 77

A G E N D A

PROCEDURAL ITEMS

1 **Apologies**

To receive apologies for those Members who are unable to attend the meeting.

2 **Declarations of Interest**

To remind Members of the need to record the existence and nature of any Personal and Discloseable Pecuniary interest in items on the agenda, in accordance with the Member Code of Conduct.

(Members Code of Conduct - Part D1 of the Constitution)

3 **Minutes of the Overview and Scrutiny Management Committee Meeting Held 25 July 2025** 5 - 16

To approve the minutes as a true record.

4 **Minutes of the Overview and Scrutiny Management Committee Meeting Held 29 August 2025** 17 - 22

To approve the minutes as a true record.

NON-EXEMPT ITEMS

5 **Director of Finance & Transformation Presentation**

To update the Commission on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.

6 **Treasury Management Annual Report 2025-26** 23 - 60

To provide the annual treasury report reviewing treasury management activities and providing the actual prudential and treasury indicators for 2024/25.

7 **Citywide Fencing – Pre-procurement Approval** 61 - 72

To undertake pre-decision scrutiny.

8 **Overview and Scrutiny Management Committee Work Programme 2025-26** 73 - 76

To consider and agree the work programme.

9 **Exclusion of the Press and Public**

To consider the exclusion of the press and public for the items listed as exempt:
KWL – Business Update
Hull Culture and Leisure – 6-month update

EXEMPT ITEMS

10 **KWL – Business Update**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

11 **Hull Culture and Leisure Ltd – 6 Month Update**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

Overview and Scrutiny Management Committee

10am on Friday 25 July, 2025

Room 77, The Guildhall, Alfred Gelder Street, Hull, and MS Teams

Present: Councillors Belcher (subbing for Hale), Burton, Gardiner, Henry (subbing for Payne), Kemp, Randall, Robinson (C) Singh (subbing for Pantelakis) and Wood (subbing for Hofman).

In attendance

D. Bell (Director of Finance)

R. Barker (Head of ICT Operations And Support)

M. Kenworthy (Assistant Director Digital & ICT)

K. Ryan (Head of Transport & Traffic Management)

T. Parker (Assistant Director Finance)

P. Turner (Corporate Director Children & Family Services)

M. Meredith (Assistant Director Learning & Skills PSA)

F. Harbord (Scrutiny Officer)

Apologies:

Apologies were received from Councillors Hale (subbed by Belcher), Hofman (subbed by Wood), Pantelakis (subbed by Singh) and Payne (subbed by Henry).

10	DECLARATIONS OF INTEREST	

Councillor Wood declared a personal interest in minutse 13 and 14 insofar as she works out of Ganton Special School.

Councillor Henry declared a personal interest in minute 14 in that she has a child that is SEND and has an ECHP, and sits on the Planning Committee.

Councillor Kemp declared a personal interest in minute 14 insofar as he worked for a company that employed neurodiverse people.

Recommendations:	Reasons for Recommendations:	Officer Assigned
a) N/A	a) N/A.	a) N/A

11	MINUTES OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE MEETING HELD 20 JUNE 2025	

The Scrutiny Officer submitted the minutes of the meeting of Friday 20 June 2025 for approval.

Members queried why the requested Asbestos Programme briefing had not been included on the agenda, but the action from the June meeting requested that that be included on the agenda of the Communities Overview and Scrutiny Commission.

The reason for the lack of a Work Programme on the meeting agenda was also queried and the Scrutiny Officer advised that, due to pressures outside of work, she had been unable to meet the meeting deadline but had consulted with the Chair on this.

	Reasons for Recommendations:	Officer Assigned

a) That the minutes of the meeting held on the 20 June 2025, having been printed and circulated, be noted.	a) N/A	a) N/A

12	DIRECTOR OF FINANCE & TRANSFORMATION PRESENTATION	

D, Bell (Director of Finance) delivered a presentation to update the Commission on any service, policy or strategy developments that fell within the remit of the Commission, with a view to the Commission including them in the future work programme if they considered it appropriate.

The Director advised that the Fair Funding consultation had an August deadline, and informed of highlights;

i. The equalising of Council Tax would mean some authorities would have greater scope to raise Council tax than others: and, this could result in benefit to Hull:.
ii. The current government had indicated a reset of Business Rates, meaning that the Council could keep 50% of Business Rates, but this would be more beneficial for wealthier authorities with more businesses.
iii. Assessed need would be impacted by deprivation; and, the level of spend would be a reflection of need, but the current level of spend was low because of the authority's financial constraints.
iv. Issues and calculations were on-going, but by early Autumn there would be a much clearer view of the calculation, and a clearer picture would be reflected in the MTFP.
v. The government would plan how to move one system to another, with the possibility of an increase of a third per year over 3 years.
vi. That this was a step in the right direction, but would still fall short of what was needed.

The Commission discussed:

i. Whether, if increases were paid annually over 3 years these would reflect annual inflation.
ii. As the consultation was to end in August, when the government would confirm the changes and timescales.

The Director responded:

i. The spending review set out a real time increase with inflation built in, but the increases were small; they were only 1% above inflation and were not necessarily a true reflection of inflation in Council services particularly in relation to services for vulnerable children, the elderly population and costs in relation to the working age adult population, so in reality it would be lower than inflation
ii. The indication was that there would be a response to the consultation in September so a clearer view and steer would be

received then; also the settlement could be brought forward, with an aim for a real number of November, although history showed that the date quite often slipped; and, it seemed that the current government recognised the mechanics of better working on a multi-year settlement.		
	Reasons for Recommendations:	**Officer Assigned**
a) That the presentation is noted.	a) N/A	a) N/A

13	**REPLACEMENT OF LAPTOP COMPUTERS AND SECURE DEVICE DISPOSAL**	

R. Barker (Head of ICT Operations And Support) and M. Kenworthy (Assistant Director Digital & ICT) presented a report to seek approval to undertake a competitive tender to obtain a supplier for the replacement of laptop computers and ancillary equipment at an estimated cost of £3,284,000 over a 4-year period.

The Assistant Director summarised the report.

The Commission discussed:

i. Concerns that the staff involved in resolving the issues with the currently used laptops were not involved in the replacement process; and, whether all levels of ICT staff had been consulted on this process.
ii. Concerns that the criteria of 35% quality in the tender specification were not enough.
iii. Whether the new systems were suitably security protected.
iv. The changes that Councillors, as users, would see.
v. Whether re-cycled devices would be physically shredded or electronically.
vi. Whether member laptops would be replaced.

Officers responded:

i. That staff had been consulted with on the requirements of the contract, although overall the contract would be awarded on a best price basis; staff had not been consulted with in the present year; and, due to Covid a lot of work had taken place with the staff that maintained devices.
ii. 35% was thought to be an adequate criterion for quality; warranties would be in place to cover the quality of devices; and, the market had improved so there were not so many issues expected.

iii. The new devices would be encrypted, and the old devices would be recycled and securely disposed of, with hard drives shredded electronically.
iv. Member devices would be replaced but the timescale for that could not currently be confirmed; that members would see slight change on-screen; and, the devices would have a better battery life and there would be the ability to have more apps open at the same time.

The Deputy Chair held a discussion with the Head of ICT Operations And Support and Assistant Director Digital & ICT, seeking clarification on:

i. Whether 35% quality was actually adequate.
ii. Whether the contract needed to be in place before Windows 10 was phased out.
iii. Whether the 3,800 devices referred to in point 6.1 of the report should actually be 3,600.
iv. What the level of warranty on the new devices would be.
v. Whether it would be more cost effective for an engineer to come out to fix devices in situ rather than members and officers having to attend for appointments at the ICT building.
vi. Whether it would be possible to exchange devices rather than have them mended.
vii. Whether devices would be pre-secured and include hardware IDs within the tender.
viii. Whether ASOS would be excluded from the procurement process as a result of the country of origin.

Officers responded that:

i. A good level of specification would be in place in order to ensure devices performed as users wanted them to
ii. Warranties would be a combination of the manufacturer's and the Council's.
iii. It would cost more to have an engineer on-site, although costs had been asked for within the tender documentation; security concerns would be a major issue, such as going into people's homes or having access to sensitive information; and, currently there was central control at all times.
iv. If a device could not currently be fixed then users were leant a working one or it was swapped for an alternative.
v. Hardware IDs and pre-securement was included in the specification.
vi. ASOS had not been linked with due to quality issues.
vii. The 3,600 devices rather than 3,800 was noted.

Recommendations:	**Reasons for Recommendations:**	**Officer Assigned**
a) That the recommendations at section 2 of the report are supported.	a) As per the minute.	a) Cabinet / Louise Hawkins

14	**TAXI AND SMALL BUS SERVICES – OPEN FRAMEWORK AGREEMENT**	

K. Ryan (Head of Transport & Traffic Management) and P. Turner (Corporate Director Children & Family Services) delivered a report to seek a decision from Cabinet to let an open framework for the provision of home to school transport (Taxi and Small Bus Services).

The Head of Transport summarised the report.

The Commission discussed:

i. The percentage of Looked After Children and those in possession of an Education, Health and Care Plans that used the service.
ii. Whether all of those were able to get on the buses provided; and, what if a regular service was an option.
iii. The reasons why an application for travel may be rejected.
iv. Whether there was review of existing qualifying young people.
v. Any issues around taxi drivers being registered with Wolverhampton Council.
vi. How much the contract had increased in cost over the previous years.
vii. Concerns about the possibility of taxi drivers only receiving the minimum wage from their employers; and, whether that was specified in the tender specification as many taxi drivers came from communities that were vulnerable to exploitation.
viii. Processes in place to prevent abuse of passengers, including issues such as the supply of vapes.
ix. What members could do to lobby and get the message across to residents and manage expectations.
x. The need to work with Planning to ensure an adequate number of school places were provided in areas of new-build homes to prevent placements outside of the area; and, this needed to be considered in the long-term to consider the impact in 10 or 20 years' time.

Officers responded:

i. Around 80% of young people that used the service had an EHCP; this was a statutory duty; and, high use of transport was a national issue, but authorities were limited by law.
ii. There had been a major increase in EHCP due to recognition of neurodiversity conditions.
iii. In the last 12 months two teams had merged and there was a more joined up service as a result; a number of applications had been turned down, usually on the basis of applications being outside of the policy; and, the teams did work with schools and parents to advise of qualification.

iv. Existing use of the service was reviewed, and EHCP reviews included transport needs; children were encouraged to travel independently; numbers had been reduced and alternatives identified, but pressures continued as pupil numbers increased, fuel costs increased, taxi driver numbers decreased, and there were more alternative driving opportunities for drivers other than taxis, so costs continued to increase.
v. There were no concerns in relation to taxi drivers licensed through Wolverhampton; and, the Council had an excellent relationship with drivers.
vi. There was no formal process in place to check that drivers received above the minimum wage through their employing companies.
vii. Safeguarding was not considered an issue as it was rare a child, especially of primary age, travelled alone as they were usually accompanied by a passenger assistant, and usually children travelled in twos.
viii. The Head of Transport would share with members information to pass on to residents; and, communication channels to pass on information would be appreciated.
ix. That officers did provide information to the Planning department on the sufficiency of school places, although they were not always those nearest to the new build homes and might involve a walk.

Recommendations:	**Reasons for Recommendations:**	**Officer Assigned**
a) That the recommendations at section 2 of the report are supported.	a) As per the minute.	a) Cabinet / Louise Hawkins

15	**REVENUE BUDGET MONITORING 2025-26 – FIRST FORMAL REPORT**	

D. Bell (Director of Finance) and T. Parker (Assistant Director Finance) attended to deliver a report to update Members on the revenue budget monitoring position as at Period 2, explanations for material variances from Budget, year-end projections, and the management actions being taken where appropriate. P. Turner (Corporate Director Children & Family Services) and M. Meredith (Assistant Director Learning & Skills PSA) attended to support a discussion on the Children, Young People, Families and Learning budget.

The Director advised of the headlines within the report:

i. A number of pressures were set out and they had been considered at the relevant Scrutiny Commissions.
ii. There were significant risks particularly in Children, Young People and Adult Social Care, and these would be reported back in more detail in the Autumn.

iii. The issue of DSG had been raised at the June meeting, and the rise in costs for the High Needs Block was increasing the potential to take the DSG deficit to rise to £10m in-year, which was becoming significant; this was driven by the number of pupils now with EHCP; and, many authorities had a very significant DSG deficit.
iv. The Council did not have to report against reserves as there was a statutory override; the current government would present a White Paper in the Autumn; statutory override was to be extended for two years to give time to address issues; and, this was a national issue that needed to be addressed.

The Commission discussed:

i. Although the amount could be disregarded, whether it still had to be covered by reserves.
ii. That the projected variance for Adult Social Care had been challenged at the Health OSC, and whether this anomaly had been addressed.
iii. The cost to the Council of alternative schools and independent provision.
iv. SEND Units: and whether academies offered alternate provision.
v. Pressures on neurodiverse pupils, such as uniforms and forced interaction, but also the restricted socialisation offered by special schools; and, whether more pressure needed to be put on academy trusts to take neurodiverse pupils.
vi. Issues around the cost of school uniforms.
vii. Agency social workers and rules around the timing of re-hiring council social workers as agency staff.

The Director of Finance responded that the disregarded reserves did not have to be counted; and, the projected variances were very much estimates and would vary, but he would consider the figure and re-present under the next report.

The Corporate Director for Children & Family Services and the Assistant Director Learning & Skills PSA responded to Children and Young People queries:

i. There were sufficiency needs in education in the City; the building of Willowfields free school had stalled due to Covid, but had now been approved; interim places for children with SEN had to be found, and that was within alternate schools as there was no capacity in mainstream schools; under regulations parents had the right to request a specific type of provision; places had been provided in academy trusts; the Council could be taken to a tribunal to agree what could and could not be supplied; and, the position in relation to sufficiency and challenges meant that alternate schooling had to be used.
ii. Willowfields had been delayed for four years, and in that time other methods to create capacity had been tried:
    1. Primary schools developed a network of SEN units with good contract management arrangements in place, such as teacher/pupil ratios and training of staff.
    2. A network of resource spaces was established primarily for children who needed some time out but could access mainstream education, with a goal to develop abilities so that when pupils transitioned to Secondary they could be placed in

mainstream schools.

3. Heads of secondaries were encouraged to introduce SEND units; Sirius North had done so successfully and it was going well; Winifred Holtby and Andrew Marvell were developing; there was a reluctance by schools as they feared becoming SEND focussed and overrun with SEND pupils, so a different policy context was needed to incentivise; and. some expansion had taken place at current SEND schools such as Ganton, with more minor expansion at Rising Stars provision at Bridgeview.

iii. The Learning Partnership was being worked with as no organisation wanted the authority to be reliant on Independent provision.

iv. Therapeutic provision for Education Other Than at School pupils had relied on Independent schools to provide and they had charged a lot; there were to be big changes in that the Learning Partnership had agreed to develop such packages for the authority; and, three trusts were on board for September, with an aim to transition all of the children receiving therapy to those trusts, delivering a significant saving.

v. The SLA for SEND Units would be circulated to members for information.

vi. Academy trusts commissioned places, but once pupils were excluded they became the local authority's responsibility.

vii. A new approach to measurement by Ofsted was being introduced in the Autumn as it was acknowledged that there were currently no measures against inclusion; the Learning Partnership was already innovative and was working with the authority; a Bill was going through parliament to agree that only three branded school uniform items would be required for pupils, including a tie; requirement was that a reasonable adjustment should be in place to cover issues; and, the Secretary of State would be given the power to intervene should there be issues.

viii. Prioritising helping with school uniforms was continuing with funding awarded out of the Household Support Fund; Pupil Premium could be used for that as well; and, schools would be pushed to help with that.

ix. With reference to agency social workers, the authority had a price cap that prevented overpayment of agencies; work was being done internally on recruitment, and retention numbers had improved; social workers now knew that it was not as easy to move around, with a policy of a three month gap being left before a Council employee could be hired as agency staff; this had resulted in a trend of agency workers rejoining the Council; and, there had been a sea-change in that there was a movement from over close to 100 agency workers employed to around 70,

The Committee continued its discussion:

i. The Chair of Communities OSC advised that the overspend under Legal Services and Partnerships had been discussed at her July Commission meeting; that there was a large overspend under Customer Services, and this was mostly attributable to Bereavement Services; the service had been asked to report back to Communities OSC in December as Comms had recently been employed to promote the cremation offer in Hull over that in the East Riding; and, Neighbourhoods had also been asked to report back on Homelessness and temporary accommodation costs.

ii. The Call Centre was undergoing review and would report back to Communities OSC.

iii. Reported savings on recruitment, despite recruitment taking place and vacancies being filled.

iv. Whether some pressures would be improved going forward, once current large projects such as Queens Gardens and Maritime had been delivered.

v. What was planned for the enforcement of yellow box junctions and whether that would bring in income; and, whether there would be a loss of revenue through the changes to bus lane enforcement.
vi. With reference to point 5.4 on page 70 of the pack under Property and Assets, the circumstances under which £350k had been saved; and, risks to those savings.

The Director and Assistant Director further advised:

i. It would be an optimistic view that pressures would improve going forward; however, redevelopment did have the intention of driving a better city centre economy but there were other large strategic projects the results of which needed to be seen.
ii. There was the potential to pilot the enforcement of box junctions; and, the Director would make enquiries about changes in revenue income from bus lanes and analyse other variables that may have impacted.
iii. With reference to Property and Assets point 5.4, the spend had been profiled based on a working programme around the Guildhall campus; this had been impacted on significantly due to issues with the Treasury Building and the need to decant staff and use other space to decant those people to; the main risk was in relation to the anticipated Business Rates savings that had not been met as the authority had not been able to dispose of those assets.

Recommendations:	**Reasons for Recommendations:**	**Officer Assigned**
a) That the recommendations at section 2 of the report are supported.	a) As per the minute.	a) David Bell / Louise Hawkins
b) That the Assistant Director Learning & Skills PSA will circulate for information the SEND Units SLA, as discussed in the meeting.	b) Members wished to know more about the SEND Units, as touched on in the meeting.	b) Mary Meredith
c) That detail of any shift in revenue income resulting from the changes to the Bus Lane operating hours will be provided to the Committee off-agenda.	c) For information	c) David Bell / Kerry Ryan

16	**MEDIUM TERM FINANCIAL PLAN – UPDATE**	

DRAFT

D. Bell (Director of Finance) and T. Parker (Assistant Director Finance delivered a paper to update Members on the latest Medium Term Financial Plan (MTFP) projections for the period 2026/27 to 2028/29 and outline a financial strategy which would inform the detailed formal budget proposals later in the year.

The Director updated on the outturn and what had been learnt from the spending review.

i. Currently there was a holding position.
ii. Detail would fill in in future years.
iii. Deficits were manageable in the short term, but there was still a need to drive out efficiencies.
iv. In the medium term there would be larger deficits resulting in the need to drive more fundamental changes, but the results of fair funding would determine policy on how budgets would be balanced.
v. A lot of detail would need to be worked through over the Summer.

The Committee discussed:

i. Transformation and what the mechanisms were.
ii. The pressures within Adult Social Care; the increased ageing population; increased social care funding going to the NHS rather than ASC; and, whether the government had given any indication of if there would be a shift in focus.

The Director responded:

i. It was only possible to do a finite amount efficiently; there was a programme of activity; a few years had been spent keeping afloat; and, more planning would now be possible due to longer term settlements.
ii. In terms of social care funding focus remained on the front line such as waiting lists and backlogs which were being prioritised, even though prevention would reduce the need for hospital care.

Recommendations:	**Reasons for Recommendations:**	**Officer Assigned**
a) That the recommendations at section 2 of the report are supported.	a) As per the minute	a) David Bell / Louise Hawkins

Overview and Scrutiny Management Committee

9am on Friday 29 August 2025

Room 77, The Guildhall, Alfred Gelder Street, Hull, and MS Teams

Present: Councillors Burton, Gardiner, Hofman, Kemp, Nicola (substitute for Pantelakis), Randall, Robinson (C), Singh (substitute for Hale).

In attendance

Councillor H. Hererra Richmond (Presenting the call-in)

Councillor L. Fudge (Presenting the call-in)

Councillor M. Ross (Leader of the Council)

I. Anderson (Director of Legal Services and Partnerships)

D. Bell (Director of Finance)

M. Nearney (Assistant Director Neighbourhoods and Housing)

A. Holgate (Head of Governance)

Apologies:

Apologies were received from Councillors Hale and Pantelakis.

17	DECLARATIONS OF INTEREST	
Councillor Randall declared a personal interest insofar as she is a council tenant.		

Recommendations:	Reasons for Recommendations:	Officer Assigned
a) N/A	a) N/A.	a) N/A

18	Call in request	

The Chair advised that the meeting had been called following a call-in request of the decision to increase all ward revenue Community Initiative Budgets by £3750.00 for the remainder of 2025/26, funded from the Corporate Contingency budget. The call-in was on the basis that the decision did not meet the principles of decision making as set out in the constitution, the call in request stated that the following principles were not met by the decision:

s. 7.2.1 – the principle of proportionality which dictates that the action proposed or contemplated by the decision is proportionate to the desired outcome to be achieved;

s. 7.2.2 – the need for consultation with interested parties;

s. 7.2.6 – the need for clarity of aims and desired outcomes, and

s. 7.2.7 – the need to identify the range of options considered.

Further, the request noted that the Labour Group Leader was not informed of the decision prior to it being made and there had been no consultation undertaken, that the Group is led to believe that as a result of the decision funding usually accessed from the Housing Revenue Account (HRA) to support delivery of Bring Out Your Rubbish Days (BOYRDs) would be curtailed meaning the objective for additional funding was to a large degree nullified. In addition less affluent wards will (in the requestors

opinion) suffer greater disadvantage as a result.

The consideration of the call-in would follow the process as set out in the call in protocol. The Chair invited Councillor Herrera-Richmond to present the reasons and evidence as to why the decision had been called in.

Councillor Herrera-Richmond stated that whilst at face value the decision appears to be helpful insofar as it provides wards with additional funding he was concerned that consideration had not been given to the funding being applied via the existing formula for Community Initiatives Budget (CIB) allocation to ensure a more equitable distribution of the overall budget, and that in not doing so this placed deprived wards at a greater disadvantage and provided smaller wards with a larger share of funding than they would ordinarily get should the existing formula have been applied. Councillor Herrera-Richmond argued that not applying the established formula led to a lack of transparency and fairness in the decision-making process. Councillor Herrera-Richmond noted the implications of Nottingham City Council issuing a legal notice into the spend of HRA funds on non-HRA activity and that it was important that members were briefed on the issues.

The Chair invited Councillor Ross, as the decision maker, to respond.

Councillor Ross stated that as this was a Leader's decision using Corporate Contingency funding there was no requirement to consult. There was no reason that the additional funding provided could not be used to support BOYRD's. The formula was not applied to the funding as the additional monies were applied as a fixed increase to the base budget to ensure that all wards were able to access sufficient funding to support the activity, and that if the formula had been applied this may have resulted in smaller wards not being able to support the activity.

The Director of Finance and Transformation advised that the issue in relation to Nottingham whilst different, highlighted the importance of maintaining the HRA ring-fence.

The Chair invited the members of the Committee to ask questions of those present.

The Committee discussed:

i) The lack of transparency through not applying the existing formula, the need to make a quick decision in year, but that further discussion was needed ahead of setting the budget for the next year..
ii) The application of HRA funds for waste or environmental services and the inability to apply HRA funding to waste related core services.
iii) That the inability to use HRA funds for BOYRD's was raised within the decision record.
iv) The issues with not allocating funding based on the existing funding formula.

v) That whilst the Council also offers a bulky items collection service it doesn't accept all items i.e. DIY materials, so the provision of this service cannot replace BOYRD's.
vi) The cost of BOYRD's and the need to consider how CIB funding can be utilised most effectively.
vii) Being unable to use HRA funds to support activity and the need to allocate additional funding to ensure the service could be delivered.

The Chair asked the requestors to sum up.

Councillor Hererra Richmond requested that the impact of the Nottingham City Council matter is considered further by Scrutiny, and summarised:

i) That it was unfair, disproportionate and not equitable that all wards were to be treated in the same way.
ii) That it was unclear as to why the existing funding formula had not been applied.

The Chair asked the decision maker to sum up.

Councillor Ross stated:

i) That the funding allowed BOYRD's to continue to be supported.
ii) Providing a fixed amount of funding across all wards ensured equality.
iii) That the decision was taken in year from a separate budget and that if this was included in the overall budget setting process the formula would be applied.

Councillor Randall moved that the call-in request be rejected. Seconded by Councillor Robinson. The motion was carried.

	Reasons for Recommendations:	Officer Assigned

a) That the provision of BOYRD's and the application of CIB funding is referred to the Economy and Environment or Communities Scrutiny Commission.	a) To review the process	a) Antony Spouse/Philip Todd
b) That a workshop be held on the requirements of HRA funding.	b) To ensure that members are informed.	b) Alex Holgate

Report to:

Overview and Scrutiny Management Committee – 19 September 2025
Cabinet – 22 September 2025

Wards All

Treasury Management – Annual Review Report 2024/25

Report of the Director of Finance and Transformation (S151 Officer)

This item is not exempt
Therefore exempt reasons are not applicable

This is a Non-Key Decision

1. Purpose of the Report and Summary

1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and providing the actual prudential and treasury indicators for 2024/25. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.2 The scope and content of this report are in line with the requirements of the Treasury Management Code of Practice and the Prudential Code for Capital Finance, and therefore this report is more detailed than standard committee reports.

1.3 This report is accompanied by a **Glossary of Terms** as shown at Appendix 5.

1.4 During 2024/25 the reporting requirements were that Members should receive the following reports:

- An annual treasury strategy in advance of the year (Council 22/2/24).
- A mid-year treasury update report (Cabinet 25/11/24).
- An annual report following the year describing the activity compared to the strategy (this report).

1.5 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn

position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

1.6 The Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Overview and Scrutiny Management Committee before they were reported to full Council or Cabinet. Member training on treasury management issues was last undertaken on 11th October 2023 in order to support Members' scrutiny role.

2. Executive Summary

2.1 During 2024/25 the Council complied with its legislative and regulatory requirements and guidelines of the Prudential Code as laid down in the approved Treasury Management Strategy and Policy Statement, in terms of safeguarding the Council's investments whilst ensuring they remain accessible, liquid and generate a return as required to support the Council's Medium Term Financial Plan.

2.2 The overall return on investments, including dividends, equated to £1.907m which was £1.057m favourable variance against the budgeted level for 2024/25 of £0.850m.

2.3 The table below provides a summary of the investment activity for the year.

Interest/Dividend Receivable Summary	2024/25 Estimate £000 / %	2024/25 Actual £000 / %	Variance £000 / %
Data			
Internal Rate of Interest	4.00	4.94	0.94
Average overall Cash Balance	75,000	54,664	-20,336
HRA Cash Balance	65,000	29,693	-35,307
Summary			
Interest on Investments	3,000	2,706	-294
HRA adjustment	-2,600	-1,470	1,130
Other adjustments (Note 1)	50	-189	-239
Dividend Received	400	860	460
Total	**850**	**1,907**	**1,057**

Note 1 – Other adjustments includes interest on loans to third parties and interest paid to third parties for balances held by the Council on their behalf, i.e. Charities and certain grants where the Council is the Accountable Body and the terms and conditions of the grant require interest to be added to balances held.

2.4 Officers are monitoring forecasts very closely and continue to liaise with the Council's Treasury advisors, MUFG Corporate Markets, in terms of ongoing borrowing assumptions, debt rescheduling and investment opportunities.

2.5 The following tables now reflect the impact of the new leasing accounting standard (IFRS16) from 1 April 2024, where off balance sheet leased assets have now been brought onto the balance sheet. Specifically, IFRS16 has impacted on the following treasury management and prudential indicators:

- Authorised Limit: as this includes borrowing and long-term liabilities (the lease liability)
- Operational Boundary: as this includes borrowing and long-term liabilities (the lease liability)
- Actual external debt at year end: as this includes borrowing and long-term liabilities (the lease liability)
- Capital expenditure: will need to include the right of use asset additions
- Capital Financing Requirement: includes the right of use asset addition less MRP
- Gross debt and the Capital Financing Requirement: gross borrowing will include long-term liabilities (the lease liability), and the CFR will include the right of use asset additions less MRP
- Financing costs to net revenue stream: interest payable element of the lease rental and MRP will be impacted

2.6 The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows (other prudential and treasury indicators can be found at Appendix 1):

Prudential and treasury indicators	2023/24 Actual £000	2024/25 Estimate £000	2024/25 Actual £000
Capital expenditure	151,693	171,152	180,138
IFRS16 Impact	-	-	44,941
Total	151,693	171,152	225,079
Capital Financing Requirement:			
• Non-HRA	772,755	808,019	837,187
• HRA	204,249	204,349	211,336
• Total	977,004	1,012,368	1,048,523
Gross borrowing	**870,556**	**918,113**	**989,381**
External debt	**870,556**	**918,113**	**989,381**
Investments	-	-	-
• Longer than 1 year			
• Under 1 year	14,972	50,000	27,346
• Total	14,972	50,000	27,346
Net borrowing	**855,584**	**868,113**	**962,035**

2.7 The Director of Finance and Transformation also confirms that borrowing was only undertaken for capital purposes and the statutory borrowing limit (the authorised limit) was not breached.

2.8 In conclusion, the investment returns for 2024/25 have performed well against the benchmark target for the year. The security of funds is maintained at all times, and performance and operation has continued to remain within the approved Prudential Indicator limits.

3. Recommendations

3.1 Members note the report, the investment returns achieved during 2024/25 and performance against the prudential and treasury indicators as stated at Appendix 1.

3.2 Members confirm that they remain content with the approved investment strategy for 2025/26 as shown at Appendices 2 to 4.

4. Reasons for Recommendations

4.1 As required by the Treasury Management Strategy Statement 2024/25, approved by Council in February 2024, delegation for considering the Annual Treasury Report is to the Cabinet Executive Committee.

5. Impact on other Executive Committees (including Area Committees)

5.1 This report is an information only report with no impact on other Executive Committees.

6. Background

6.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 was adopted by this Council and the Council fully complies with its requirements.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.

2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.

3. Receipt by the Council of an annual treasury management strategy report (including the annual investment strategy report) for the year ahead, a midyear review report (as a minimum) and an annual review report of the previous year.

4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specified named body.

Treasury management in this context is defined as:

> *"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

6.2 This report provides a commentary on the Council's Treasury Management activity and Prudential Indicators for the financial year ending 31 March 2025.

6.3 In particular, this report summarises:

- capital activity during the year;
- impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- reporting of the actual prudential and treasury indicators;
- overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances
- summary of interest rate movements in the year;
- detailed debt activity; and
- detailed investment activity.

7. Issues for Consideration

7.1 Reviewing the treasury activities of the Council for 2024/25 compared to the Treasury Management Strategy.

8. The Council's Capital Expenditure and Financing 2024/25

8.1 The Council undertakes capital expenditure on long term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

8.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2023/24 Actual £'000	2024/25 Estimate £'000	2024/25 Actual £'000
Total capital expenditure	97,622	103,368	107,291
General Capex	-	-	44,941
IFRS16 Impact			
Financed in Year	48,441	62,351	76,227
Unfinanced capital expenditure	49,181	41,017	31,064
Borrowing	-	-	44,941
Leases (IFRS 16)			

HRA	2023/24 Actual £'000	2024/25 Estimate £'000	2024/25 Actual £'000
Total capital expenditure	54,071	67,784	72,847
Financed in Year	51,158	59,668	57,744
Unfinanced capital expenditure	**2,913**	**8,116**	**15,103**

9. The Council's Overall Borrowing Need

9.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2024/25 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

9.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.

9.3 Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from

the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

9.4 The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

9.5 The Council's 2024/25 MRP Policy (as required by DLUHC Guidance) was approved by Council as part of the Treasury Management Strategy Report for 2024/25 in February 2024.

9.6 The Council's CFR for the year is shown below, and represents a key prudential indicator. This includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need, the CFR.

CFR: General Fund	31 March 2024 Actual £000	31 March 2025 Estimate £000	31 March 2025 Actual £000
Opening balance	735,357	772,755	772,755
Add unfinanced capital expenditure (as above):			
Borrowing	49,181	41,017	31,064
Leases (IFRS 16)	-	-	44,941
Less MRP/VRP	10,689	4,177	4,177
Less PFI & Finance Lease repayments	1,094	1,576	7,396
Closing balance	**772,755**	**808,019**	**837,187**
CFR: HRA	31 March 2024 Actual £000	31 March 2025 Estimate £000	31 March 2025 Actual £000
Opening balance	250,527	204,249	204,249
Add unfinanced capital expenditure (as above)	2,913	8,116	15,103
Less VRP	49,191	8,016	8,016
Less PFI & Finance Lease repayments	-	-	-
Closing balance	**204,249**	**204,349**	**211,336**

9.7 The borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

9.8 Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only be for a capital purpose, the Council should ensure that it's gross external borrowing does not, except in the short term, exceed the CFR for 2024/25 plus the estimates of any additional CFR from the current (2025/26) and the next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows some flexibility to borrow in advance of its immediate capital needs in 2024/25. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2024 Actual £'000	31 March 2025 Estimate £'000	31 March 2025 Actual £'000
Gross borrowing position:			
General Capex	702,675	751,808	773,758
PFI/Leases	167,881	166,305	215.623
Total	870,556	918,113	989,381
CFR	**977,004**	**1,012,368**	**1,048,523**

9.9 The authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2024/25 the Council has maintained gross borrowing within its authorised limit.

9.10 The operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

9.11 Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2024/25 £'000
Authorised limit	1,087,000
Maximum gross borrowing position	989,381
Operational boundary	989,000
Average gross borrowing position	908,877
Financing costs as a proportion of net revenue stream (General Fund)	5.07%

10. Treasury Position as at 31 March 2025

10.1 The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to

manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2024/25 the Council's treasury position was as follows:

	31 March 2024 Principal £'000	£'000	Rate/ Return %	31 March 2025 Principal £'000	£'000	Rate/ Return %
Fixed rate funding:						
-PWLB	574,675			563,758		
-Market	128,000	702,675		210,000	773,758	
Variable rate funding:						
-PWLB	-			-		
-Market	-	-		-	-	
Total		702,675	3.12%		773,758	3.38%
PFI & Finance Lease		167,881			215,623	
Total Debt		**870,556**			**989,381**	
CFR		**977,004**			**1,048,523**	
Over / (under) borrowing		**(106,448)**			**(59,142)**	
Investments:						
- in house		14,972			27,346	
- with managers		0			0	
Total Investments		**14,972**	**4.89%**		**27,346**	**4.94%**

10.2 The maturity structure of the debt portfolio was as follows (the table below excludes PFI and Finance Lease liabilities):

	31 March 2024 Actual £'000	31 March 2025 Actual £'000
Under 12 months	188,918	195,846
12 months and within 24 months	12,846	79,774
24 months and within 5 years	44,896	57,151
5 years and within 10 years	56,731	41,702
10 years and above	399,284	399,285
Total	**702,675**	**773,758**

10.3 The maturity structure of the investment portfolio was as follows:

	2023/24 Actual £'000	2024/25 Estimate £'000	2024/25 Actual £'000
Investments			
• Under 1 year	14,972	50,000	27,346
• Longer than 1 year	-	-	-

The exposure to fixed and variable rates was as follows (net borrowing position excluding PFI and Finance Leases):

	31 March 2024 Actual £'000	31 March 2025 Actual £'000
Fixed rate (principal)	702,675	773,758
Variable rate (principal)	-	-

11. The Strategy for 2024/25

11.1 During 2024/25, the Council maintained an under-borrowed position, (the table at section 10.1 above refers). This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<1 years) as appropriate.

11.2 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.

- if it had been felt that there was a significant risk of a much sharper RISE in long and short-term rates than initially expected, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

12. The Economy and Interest Rates Review

12.1 The following paragraphs are designed to impart a degree of knowledge around factors impacting on the treasury management function at the Council over the last financial year. This environment is constantly changing, no more so than in recent years. Any significant issues that arise between the report being written and the actual committee date will be reported verbally.

UK Economy.

12.2 UK inflation has proved somewhat stubborn throughout 2024/25. Having started the financial year at 2.3% y/y (April), the CPI measure of inflation briefly dipped to 1.7% y/y in September before picking up pace again in the latter months. The latest data shows CPI rising by 2.8% y/y (February), but there is a strong likelihood that figure will increase to at least 3.5% by the Autumn of 2025.

12.3 Against that backdrop, and the continued lack of progress in ending the Russian invasion of Ukraine, as well as the potentially negative implications for global growth as a consequence of the implementation of US tariff policies in April 2025, Bank Rate reductions have been limited. Bank Rate stands at 4.5% as at March 2025, despite the Office for Budget Responsibility reducing its 2025 GDP forecast for the UK economy to only 1% (previously 2% in October).

12.4 Moreover, borrowing has becoming increasingly expensive in 2024/25. Gilt yields rose significantly in the wake of the Chancellor's Autumn Statement, and the loosening of fiscal policy, and have remained elevated ever since, as dampened growth expectations and the minimal budget contingency (<£10bn) have stoked market fears that increased levels of borrowing will need to be funded during 2025.

12.5 The Bank rate remained unchanged at 4.5% in the March meeting by a vote of 8-1, but suggesting further reductions would be gradual. For information the current bank rate is now 4% as at August 2025.

13. Borrowing Rates in 2024/25

13.1 Interest rate forecasts initially suggested gradual reductions in short, medium and longer-term fixed borrowing rates during 2024/25. Bank Rate did peak at 5.25% as anticipated, but the initial expectation of significant rate reductions did not transpire, primarily because inflation concerns remained elevated. Forecasts were too optimistic from a rate reduction perspective, but more recently the forecasts, updated from November 2024 onwards, look more realistic.

13.2 At the start of April 2025, the market now expects Bank Rate to fall to 3.75% by the end of December 2025, pulling down the 5- and 10-year parts of the curve too.

13.3 This should provide an opportunity for greater certainty to be added to the debt portfolio, although a significant fall in inflation will be required to underpin any material movement lower in the longer part of the curve.

13.4 PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

13.5 However, since early 2022, yields have risen dramatically in all the major developed economies. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the Bank of England are being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

13.6 Gilt yields have been volatile through 2024/25. Indeed, the low point for the financial year for many periods was reached in September 2024. Thereafter, and especially following the Autumn Statement, PWLB Certainty rates have remained elevated at between c5% - 6% with the exception of the slightly cheaper shorter dates.

13.7 At the close of 31 March 2025, the 1-year PWLB Certainty rate was 4.82% whilst the 25-year rate was 5.98% and the 50-year rate was 5.67%.

13.8 Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
- PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
- Local Infrastructure Rate is gilt plus 60bps (G+60bps)
- HRA Borrowing rate is gilt plus 40 40bps (G+40bps)

13.9 There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate falls and inflation (on the Consumer Price Index measure) moves lower.

13.10 As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

PWLB BORROWING RATES 2024/25 for 1 to 50 years

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.77%	4.31%	4.52%	5.08%	4.88%
Date	26/02/2025	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.34%	5.71%	6.18%	5.88%
Date	29/05/2024	13/01/2025	13/01/2025	13/01/2025	09/01/2025
Average	5.14%	4.86%	5.07%	5.56%	5.32%
Spread	0.84%	1.03%	1.19%	1.10%	1.00%

14. Borrowing Outturn for 2024/25

Treasury Borrowing

14.1 In order to minimise borrowing costs short term borrowing of £498m was taken during the year to finance temporary cash shortages for periods of up to 12 months, and to support both cash flow predictions for the year and short term capital expenditure. Of the short term borrowing taken, £178m remained outstanding as at 31st March 2025.

14.2 In addition borrowing of £32m was taken from the Local Authority market in the period of 1 to 5 years, and £50m of PWLB borrowing of over 1 year. This supplements the temporary borrowing position in light of higher long term borrowing rates.

14.3 Rescheduling – No debt rescheduling took place in 2024/25.

14.4 Repayment – during 2024/25 the Council repaid £448m of which £123m relates to temporary borrowing outstanding as the end of 2023/24.

14.5 The value of long-term debt at 31st March 2025 was £989m (incl. £216m re PFI/Finance Leases) compared to a capital financing requirement (CFR) at 31st March 2025 of £1,048m.

14.6 During 2024/25 the Council's average long-term borrowings were £736.232m (excl. PFI/Finance Leases) on which interest of £24.935m was paid at an average rate of 3.38%. This compares with average long-term borrowings of £692.855m in 2023/24 on which interest £21.647m was paid at an average rate of 3.12%.

15. Investment Rates 2024/25

15.1 While the Council has taken a prudent approach to investing surplus monies, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Global Financial Crisis of 2008/09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

15.2 The table below represents a summary of the investment rates available for the financial year.

FINANCIAL YEAR TO QUARTER ENDED 31/03/2025						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	5.25	5.20	5.21	5.20	5.17	5.08
High Date	02/04/2024	03/05/2024	27/06/2024	17/04/2024	31/05/2024	30/05/2024
Low	4.50	4.45	4.45	4.36	4.28	4.15
Low Date	06/02/2025	12/02/2025	04/03/2025	31/03/2025	31/03/2025	10/02/2025
Average	4.95	4.90	4.88	4.82	4.72	4.54
Spread	0.75	0.75	0.76	0.85	0.89	0.93

16. Investment Outturn for 2024/25

16.1 The Council's Investment Policy is governed by MHCLG investment guidance, which has been implemented in the Annual Investment Strategy approved by the Council on 22/02/2024. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

16.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

16.3 The Council's investments totalled £27.346m at 31st March 2025 (£14.972m at 31st March 2024), all of which is managed internally. Cash balances were managed at a lower level to avoid unnecessary borrowing at higher prevailing interest rates.

16.4 During 2024/25, the Council's investment policy was regularly reviewed to ensure the lending criteria provided the required level of security to reduce the Council's exposure to risk.

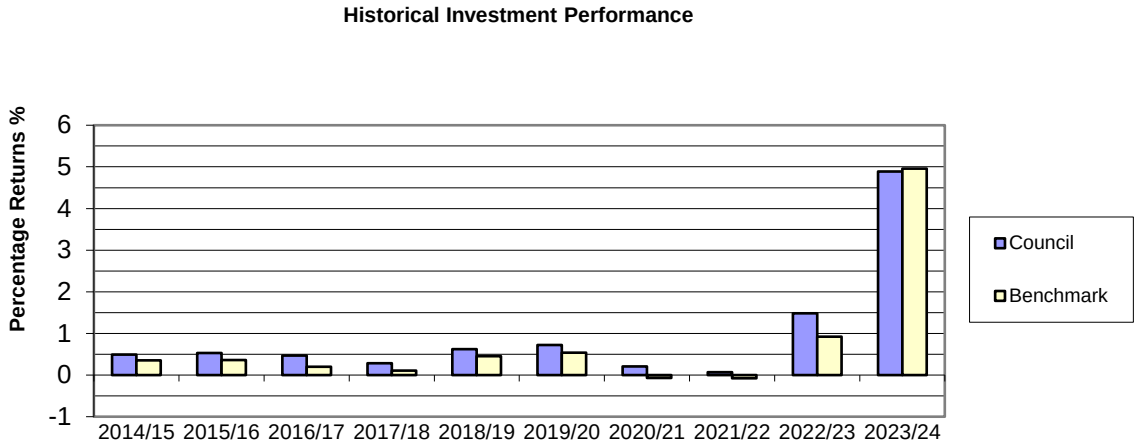
16.5 Any changes to the Council's lending criteria were also reflected in the 2025/26 Treasury Management Policy Statement approved by Council in February 2025. The Investment Strategy for 2025/26 is re-produced at Appendix 2 of this report for information.

Investment Performance 2024/25

16.6 In total the Council's investments generated gross interest of £2.706m in 2024/25 at an average rate of 4.94%. This sum is made up of working balances – short term cash resources required to fund Council everyday activity and expenditure on a rolling basis.

	Interest Earned	Rate of	Benchmark	Difference
	2024/25	Return	Return	
	£'000	%	%	%
Working Balances	2,706	4.94	5.09	0.15
Total Interest	**2,706**	**4.94**	**5.09**	**0.15**

16.7 The graph below shows the investment performance over recent years by the in-house team against the benchmark. The benchmark, which is the generally accepted industry benchmark, is the 365 days backward looking SONIA rate.



16.8 The internally managed funds, maintained at an average balance of £55m during the year, performed reasonably well in the current market, returning 4.95% (4.89% in 2023/24) compared to the benchmark of 5.08% which is the 365 days backward looking SONIA uncompounded rate.

16.9 The Council's cash balances comprise revenue and capital resources and cash flow monies.

16.10 Officers seek to manage proactively the Council's cash and seek returns in excess of the industry standard benchmarks, meeting regularly with representatives of MUFG Corporate Markets to provide advice as necessary. MUFG Corporate Markets have access to market data and are able to provide both advice on investment opportunities as well as an independent assessment of investment performance and they continue to support the Council's investment strategy.

17. Interest earned compared with budget

17.1 The Council's 2024/25 revenue budgets included net interest and dividends of £0.850m for the General Fund. The amount received during 2024/25 by the General Fund was £1.907m, a favourable variance of £1.057m or 124%. The principal factor behind the variance was due to the average cash balances of the HRA reducing therefore attracting a lower proportion of interest earned during the year.

18. Prudential Indicators

18.1 In line with the requirements of the Prudential Code, approved by Council on 22 February 2024, a range of Prudential Indicators for 2024/25 and future years (2025/26 PI's approved by Council on 27 February 2025) were approved, aimed at ensuring the affordability of capital plans and effective treasury management.

18.2 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1, with Indicators 1 to 4 relating to the affordability of capital plans and indicators 5 to 9 concerned with the control of treasury management activities.

18.2.1 Affordability of Capital Plans

Estimated capital expenditure and related revenue costs have been revised to reflect the Capital Programme as agreed by Council on the 27 February 2025 and included in the Medium Term Financial Plan 2025/26 to 2027/28. The approved programme was the culmination of an exercise by officers to align the programme to the Councils priorities bearing in mind the limited availability of capital funds.

18.2.2 Treasury Management

External debt was £97m below the approved authorised limit at the end of the financial year 2024/25 and the maturity structure for both borrowing and investments remain within the approved upper and lower limits. Any further borrowing taken, or any debt rescheduling undertaken by the Council in future will be undertaken in light of the maturing structure profile and the profile of prevailing interest rates on offer from the Public Works Loans Board or from market institutions.

19. Options and Risk Assessment

19.1 Although the content and criteria stated in the Treasury Management Strategy are statutory requirements, there are some options available to the Council in how this is managed, in terms of the following:

- Investment Options – alternative investment products, counterparties, limits, and durations.
- Prudential Indicators – alternative limits for certain indicators, i.e. debt maturity profile, interest rate exposure.
- Minimum Revenue Provision – alternative options for the revenue charge.

19.2 The options proposed are based on the Council investing surplus monies with low risk counterparties in line with the Council's low risk appetite. This provides the Council with adequate liquidity and security of funds before considering investment return.

20. Risk Assessment

20.1 The main risks surrounding the Council's Treasury operations, mitigated through the Treasury Management Strategy and Investment Policy, are as follows:

- Prudential Indicator limits are breached – set and approved locally and regularly monitored as part of ongoing Treasury Management activity.

- Investments lost due to the inability of a Bank or Building Society to repay the loan – key criteria as part of the Creditworthiness Policy which ensures investments are made with only high credit quality counterparties for set durations.
- Too cautious an approach to investments could result in lower investment income being achieved – Investment Policy provides flexibility to use other non-specific investment products if it is considered prudent.

21. Consultation

21.1 This report is an information only report with no further consultation required.

22. Comments of the Director of Legal Services & Partnerships (Monitoring Officer)

22.1 It is noted that there are no significant changes to the Council's Treasury Management Strategy proposed. Given the prudent focus upon secure investment of funds, the Strategy is supported.

23. Comments of the S151 Officer

23.1 The Director of Finance and Transformation (s151 Officer) is the author of this report. (TP)

24. Comments of the Assistant Director of HR & OD and Compliance with the Equality Duty

24.1 The content of this report is noted. (SH)

25. Comments of the Overview and Scrutiny

25.1 This report is due to be considered by the Overview and Scrutiny Management Committee at its meeting to be held on 19 September 2025. Any comments or recommendations agreed by the Committee will be submitted to Cabinet for consideration. (Ref. Sc8914 (FH))

26. Comments of the Portfolio Holder

26.1 It reflects the Council's compliance with statutory guidance and to continue the Treasury Strategy with regard to minimising borrowing, and consequentially, investments.
I also support the proposal to maintain the Council's narrow lending list focussing only on UK Bank deposits and local authorities. (PF0069)

David Bell
Director of Finance and Transformation (S151 Officer)

Officer Contact:	**Mike Armstrong**
Telephone No:	(61) 3282
Officer Interests:	None
Background documents:	Borrowing and investment records CIPFA Code of Practice on Treasury Management Treasury Management Policy Statement (Council 22 February 2024)

Treasury Management – Annual Report 2024-25

Implications Matrix

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	n/a
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes – see comments from the HR City Manager. Other equality and diversity implications are considered within individual programmes where appropriate.
Any Health and Safety implications are included within the report	n/a
Any human rights implications are included within the report	There are no human rights implications in this report.
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	n/a
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	n/a
I have included information about how this report contributes to the City Plan/ Area priorities within the report	n/a

Prudential Indicators 2024-25

Appendix 1

As at 31 March 2025

1. Affordability of Capital Plans

(a) Indicator 1 – Capital Expenditure

This details the Council's capital spending outturn position against forecast. This estimate is based on reporting decisions agreed previously in the Capital Programme report; there is no subjectivity to this indicator.

	2024/25	2024/25
	£'000	£'000
	Estimate	Actual
General Fund:		
CapEx	103,368	107,291
IRS16 Impact	-	44,941
HRA	67,784	72,847
Total	171,152	225,079

(b) Indicator 2 – Ratio of Financing Costs to Net Revenue Stream

Shows the revenue costs (the capital financing costs less investment income earned) associated with funding previous and future capital spending, as a percentage of total revenue spending. Again, as in the previous indicator the estimates that populate this table have been agreed by Committee, either through the Revenue Budget setting report or in the Medium-Term Financial Plan (MTFP) and are not subjective.

	2024/25	2024/25
	%	%
	Estimate	Actual
General Fund	4.8	5.07
HRA	42.0	12.27

(c) Indicator 3 – Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose i.e. that element of previous and proposed capital spending which has been/ will be funded from borrowing. In order to ensure borrowing is maintained within sustainable limits, the Prudential Code requires that net external borrowing does not exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing

requirement for the current and next two financial years. The Director of Finance and Transformation can confirm that this requirement was met.

	2024/25	2024/25
	£'000	£'000
	Estimate	Actual
General Fund	808,019	837,187
HRA	204,349	211,336
Total	1,012,368	1,048,523
Borrowing	918,113	989,381

Long Term Borrowing at the end of 2024-25 was £59m below (£106m below at 2023/24) the capital financing requirement.

(d) Indicator 4 – Incremental impact of Capital Investment Decisions on Council Tax and Housing Rents

"The local authority will

(i) forecast the total budgetary requirements for the authority based on no changes to the capital programme

(ii) forecast the total budgetary requirements for the authority with the changes proposed to the capital programme included in the calculation

(iii) take the difference between (i) and (ii) and calculate the addition or reduction to the council tax that would result.

The rules are the same for the Housing revenue account but show the effect on weekly rents.

The indicator seeks to demonstrate the additional costs, funded from the Council Tax and Housing Rents, of the Council's capital spending.

	2024/25	2024/25
	£	£
	Estimate	Actual
General Fund	5.85	2.45
HRA	1.35	0.44

2. Treasury Management

(a) Indicator 5 – Authorised Limit for External Debt

Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long term liabilities.

With regard to external debt the Council is required to identify limits consistent with the Revenue Budget and Capital Programme. The Authorised Limit is based on a prudent, but not worse case scenario, with additional headroom to allow for unusual cash movements. The authorised limit will be the statutory limit determined under Section 3 (1) of the Local Government Act 2003.

The indicator is calculated by taking the results from indicator six, Operational boundary for external debt, plus the amount of capital spend forecast to be financed from grants and capital receipts. This would cover the unlikely event of contractually committed spend not being financed from grants or receipts as planned and having to be financed from borrowing.

	2024/25 Estimate	**2024/25 Actual**
	£'000	**£'000**
Operational debt indicator (indicator 6)	961,036	989,381
Possible additional capital spend financed from borrowing (grants/receipts not received)	88,275	97,259
Total Amount	1,049,311	1,086,640
Rounded for indicator	1,049,000	1,087,000

Actual external debt stands at £989m as at 31st March 2025, which is within the Authorised Limit for 2024/25.

(b) Indicator 6 – Operational Boundary for External Debt

Operational boundary for external debt = operational boundary for borrowing + operational boundary for other long term liabilities.

The Operational Boundary for external debt is based on the same estimates which underpin the Authorised Limit but does not include the additional headroom included within the Authorised Limit. The Operational Boundary provides an important tool for in year monitoring.

The code goes on to say "It will probably not be significant if the operational boundary is breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate"

The Operational Limit for external debt estimate is calculated as the current amount of debt, plus additional borrowing, plus ten per cent of the year's net revenue budget for cash flow purposes in the event of expenditure being higher than income at points during the year.

	2024/25	**2024/25**
	Estimate	**Actual**
	£'000	**£'000**
Debt	702,675	773,758
Other Liabilities	166,751	215,623
10% Net budget requirement	42,477	-
Additional Borrowing	49,133	-
Calculated Operational Limit	961,036	989,381
Rounded for indicator	961,000	989,000

Actual external debt stands at £989m at 31st March 2025, which is in line with the Operational Limit for 2024/25.

(c) Indicator 7 – Fixed and Variable Rate Exposure

The indicator seeks to ensure that the Council limits its exposure to the risk of interest rate changes and the consequent impact on the investment income and interest payments on loans, by restricting the proportion of variable rate borrowing.

	2024/25 Actual	**2024/25 Estimate**
	%	%
Fixed Rate – Upper Limit	100	90
Fixed Rate – Lower Limit		25
Variable Rate – Upper Limit	0	75
Variable Rate – Lower Limit		10

* Following repayment of the LOBO loans the Council no longer has any variable rate debt.

These limits will be reviewed as part of the Mid-Year Update Report 2024/25.

The Fixed Rate upper limit will be reviewed as part of the Mid-Year Update Report.

(d) Indicator 8 – Upper and Lower Limits for the maturity structure of borrowings

The indicator also seeks to ensure the Council controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Council is

not forced to replace a large proportion of loans at a time of relatively high interest rates.

	Actual as at 31/03/25	**Upper Limit**	**Lower Limit**
	%	%	%
Less than 12 Months	24.83	35	0
12 months and within 24 months	10.38	25	0
24 months and within 5 years	7.43	50	0
5 years and within 10 years	5.42	75	0
10 years and above	51.94	90	25

(e) Indicator 9 – Upper limit for maturity structure of investments

Under the Prudential Regime Councils are free to invest for periods of greater than 1 year. This indicator sets restrictions on the proportion of investments committed for longer periods in order to limit the risks associated with being unable to meet unexpected cash flows and/or being able to take advantage of future increases in interest rates.

	Actual as at 31/3/25	**Upper Limit**
	%	%
Under 12 Months	100	100
12 months and within 24 months	-	25
24 months and within 3 years	-	20
3 years and within 4 years	-	15
4 years and within 5 years	-	10
5 years and above	-	10

Appendix 2

Annual Investment Strategy 2024/25

1. Introduction

1.1 The Council defines its treasury management activities as:

'**The management of the local authority's investments and cash-flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks**.

1.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage those risks.

1.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable, comprehensive performance measurement techniques, within the context of effective risk management.

Investment Policy

1.4 The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021.

1.5 The Council's investment priorities will be security first, portfolio liquidity second, then return (yield). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Councils risk appetite.

1.6 In accordance with guidance from DLUHC and CIPFA, and in order to minimise the risk to investments, the Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

- Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

- Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

1.7 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

1.8 The intention of the strategy is to provide security of investment and minimisation of risk.

1.9 The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments;
- The principles to be used to determine the maximum periods for which funds can be committed;
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.

1.10 The investment instruments identified for use in the financial year 2023-24 are set out at Appendix 2 under the 'Specified' and 'Non-Specified' Investments categories. Organisations to which the Council will lend and associated counterparty limits are detailed at Appendix 3.

1.11 The Council will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Creditworthiness Policy

1.12 The Council applies the creditworthiness service provided by MUFG Corporate Markets. This service employs sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries.

1.13 This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Blue 1 year (only applies to nationalised or semi-nationalised UK banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

1.14 The MUFG Corporate Markets creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings. The Council is satisfied with the level of security this provides for its investments. It is also a service which the Council would not be able to replicate using in house resources.

1.15 Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

1.16 All credit ratings will be monitored on a weekly basis. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG Corporate Markets creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

- In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by MUFG Corporate Markets. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

1.17 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

1.18 If financial institutions are upgraded in rating and therefore meet the Council's criteria as defined, then committee approval will be sought prior to inclusion on the counterparty list.

Country Limits

1.19 The Council has determined that it will only use approved counterparties from the UK only.

Investment Counterparty Selection Criteria

1.20 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

1.21 The Director of Finance and Transformation will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either Specified or Non-Specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

1.22 Credit rating information is supplied by MUFG Corporate Markets, the Council's treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be considered for suspension from use, with all others being reviewed in light of market conditions.

1.23 On occasions ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest.

1.24 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is as follows:

- Banks 1 – a good credit quality – the Council will only use banks which are UK banks and hold a minimum Fitch rating of:
  - Short term – F1
  - Long term – A-

- Banks 2 – part nationalised UK bank – Royal Bank of Scotland ring fenced operations. This bank can be included if it continues to be part nationalised or it meets the rating in Banks 1 above.

- Banks 3 – The Council's own banker (Natwest Bank) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.

- Bank subsidiary and treasury operation – The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.

- Building societies – The Council will use all societies which meet the ratings for banks as outlined above.

- Money Market Funds – AAA rating.

- Enhanced Money Market Funds – AAA rating.

- UK Government (DMADF)

- Local authorities.

Group Considerations

1.25 Due care will be taken will be taken to consider the group exposure of the Council's investments. In addition limits in place above will apply to a group of companies.

Use of Additional Information other than Credit Ratings

1.26 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and Monetary Limits Applying to Investments

1.27 The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover specified and non-specified investments). The Counterparty limits have increased in recognition of the need for further scope to invest and the opportunity for greater returns on investments.

	Fitch Long Term Rating (minimum)	***Fitch Short Term Rating (minimum)***	***Money Limit***	***Time Limit***
Banks 1 category high quality	AA-	F1+	£30 million	1 yr
Banks 1 category medium quality	A	F1	£20 million	1 yr
Banks 1 category lower quality	A-	F1	£10 million	1 yr
Banks 2 category – part nationalised – high quality	AA-	F1+	£40 million	1 yr
Banks 2 category – part nationalised – medium quality	A	F1	£25 million	1 yr
Banks 2 category – part nationalised – low quality	A-	F1	£15 million	1 yr
Limit 3 category – Council's banker (not meeting Banks 1)	N/A	N/A	£5 million	1 day
UK Government (DMADF)	N/A	N/A	Unlimited	6 mths
Local authorities	N/A	N/A	£15 million	1 yr
Money Market Funds	AAA		£15 million	liquid

1.28 The proposed criteria for Specified and Non-Specified investments are shown in Appendix 3.

Appendix 3

Credit and Counterparty Risk Management – Specified and Non-Specified Investments and Limits (Treasury Management Practice (TMP1))

1. Specified and Non-Specified Investments

1.1 Specified investments are investments denominated in sterling, do not exceed 364 days in term, do not involve the acquisition of share or loan capital, are made with the UK Government or a local authority, or with a body or investment scheme meeting the minimum 'high' credit quality criteria where applicable. Non-specified investments are anything that does not satisfy the specified investment criteria, i.e. investments with a maturity of greater than 1 year.

1.2 Importantly the acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as 'non-specified investments'. As a result no such investment instruments, such as equities, are included within this Appendix.

Specified Investments

	Minimum 'High' Credit Criteria	Use
Term deposits – banks	Short-term F1, Long-term A-	In-house
Term deposits – building societies	Short-term F1, Long-term A-	In-house
Term deposits – local authorities	--	In-house
Term deposits – UK part nationalised banks	Short-term F1, Long-term A-	In-house
UK Government support to the banking sector	UK Sovereign Rating	In-house
Debt Management Agency Deposit Facility (DMADF)– UK Government	UK Sovereign Rating	In-house
Money Market Funds	AAA	In-house

1.3 Accounting treatment of investments – the accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, Treasury Officers in consultation with MUFG Corporate Markets will review the accounting implications of any new transactions before they are undertaken.

Non-specified Investments

Maturities of ANY period (not applicable for 2024-25 Investment Strategy)

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits with unrated counterparties	Market Capitalisation above £500m	In-house	Nil - no longer applicable	Nil – no longer applicable

Maturities in excess of 1 year (not applicable for 2023-24 Investment Strategy)

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – banks	Short-term F1, Long-term A+	In-house	Nil - no longer applicable	Nil - no longer applicable
Term deposits – local authorities	--	In-house	Nil - no longer applicable	Nil - no longer applicable

Appendix 4

Approved Organisations for on-lending of Surplus Funds

Note – the organisations listed below currently meet the specified criteria as per the Investment Policy of the above report, section 1.28 refers.

UK Banks (Maximum Investment Period of up to 1 year)

	Approved Investment Limit (max)	Proposed Investment Limit (max)	Current Investment Limit **
Santander UK plc	£30 million	£30 million	£20 million
Barclays Bank plc	£30 million	£30 million	£20 million
Standard Chartered	£30 million	£30 million	£20 million
Clydesdale Bank (trading as Yorkshire Bank)	£30 million	£30 million	Nil
HSBC Bank plc	£30 million	£30 million	£30 million
Lloyds Banking Group inc: * Lloyds TSB Bank plc Bank of Scotland plc	£40 million	£40 million	£25 million
Royal Bank of Scotland Group inc: * Royal Bank of Scotland NatWest Bank plc Ulster Bank Ltd	£40 million	£40 million	£25 million

Note * - The higher limits are based on Lloyds and RBS being part-nationalised therefore carrying additional UK Government security.
Note **: The current investment limits above reflect the action taken as per the creditworthiness criteria included in the Investment Policy stated at paragraph 1.28 in the above report.

UK Building Societies (Maximum Investment Period of up to 1 year)

	Approved Investment Limit (max)	Proposed Investment Limit (max)	Current Investment Limit **
Nationwide Building Society	£30 million	£30 million	£20 million
Coventry Building Society	£30 million	£30 million	£10 million
Leeds Building Society	£30 million	£30 million	£10 million
Skipton Building Society	£30 million	£30 million	£10 million
Yorkshire Building Society	£30 million	£30 million	£10 million

Other (Maximum Investment Period of up to 1 year)

	Approved Investment Limit (max)	Proposed Investment Limit (max)	Current Investment Limit
Any Local Authority	£15 million (each)	£15 million (each)	£15 million (each)
Debt Management Agency Deposit Facility (DMADF) ***	Unlimited	Unlimited	Unlimited
Money Market Funds	£15 million (each)	£15 million (each)	£15 million (each)

Note *** - The unlimited investment limit for the DMADF is based on the current uncertainties within the banking sector, and if further bank failures occur, this account would provide for the security of the Council's cash surpluses.

Appendix 5

GLOSSARY OF TERMS

Base Rate	Minimum lending rate of a bank or financial institution in the UK determined by the Bank of England.
Basis Point	1/100th of 1%, i.e. 0.01%.
Call Account	Deposits/investments placed with a bank or other financial institutions which are available immediately, i.e. no advance notice is required.
Capital Expenditure	Expenditure on the acquisition of fixed assets which has a long term value to the Council (e.g. the purchase of land, erection of buildings), or expenditure that adds to the value of these assets and not just maintains their existing value.
Capital Financing Requirement (CFR)	The total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. This is the cumulative total of the Council's borrowing need.
Capital Grants	Monies provided to local authorities, usually from Government departments, for capital expenditure only.
Capital Receipts	These are proceeds from the sale of capital assets such as land or property. These receipts can be used to fund the capital programme but are not available to support the Revenue Budget.
Counterparty	Another (or the other) party to an agreement or other market contract (e.g. lender or borrower). In the Council's case this generally relates to a bank or building society.
Credit Default Swap	This provides protection (insurance) to a financial institution following a loan or investment against any potential default, i.e. protection against non-repayment of loan or investment.
Credit Outlook	A formal indication by a credit rating agency that it anticipates a change in a particular credit rating of a bank or other financial institution at some time in the foreseeable future.
Credit Rating	An assessment of the creditworthiness of a bank or other financial institution, made by a credit rating agency, i.e. Fitch, Moody's and Standard & Poor's.
Credit Rating Agency	Independent organisations that assess the credit quality of corporate and government debt. The main agencies are Moody's, Standard & Poor's and Fitch.
Credit Watch	Attached to a bank or other financial institution in which a downgrading or upgrading of the credit rating could be imminent.
Creditworthiness	A measure of the ability and the willingness of a bank or other financial institution to honour their financial obligations.

Debt Cap	A limit set on the council housing borrowing requirement for each local authority.
Debt Rescheduling	Refinancing of current debt/loans to generate revenue savings if rates are favourable.
Investment Instrument	Investment options available to local authorities, i.e. fixed term deposits, notice accounts.
Liquidity	The ability to convert an asset (investment) easily into cash quickly without affecting the asset's price or value.
Maturity	The end date of a loan, borrowing, investment or other form of capital financing.
Minimum Revenue Provision (MRP)	Local authorities are required each year to set aside some of their revenues as provision for debt repayment. The provision (revenue charge) is in respect of capital expenditure financed by borrowing.
Money Market	Consists of financial institutions (e.g. banks and building societies) and dealers in money and credit.
Money Market Fund	A well rated, highly diversified pooled investment vehicle whose assets mainly comprise of short term instruments.
Non-Specified Investments	Anything that does not satisfy the specific investment criteria, i.e. investments with a term of greater than 1 year.
Notice Account	Deposits/investments placed with a bank or other financial institutions which are available at notice, i.e. 15/30 day notice to withdraw is required.
PFI	Private Finance Initiative – a Government initiative in which private sector companies usually design, build and operate a public facility for a set period of time, often 25 years.
Prudential and Treasury Indicators *(see below for description of each indicator)*	As required by The Prudential Code, requires local authorities to self regulate the affordability, prudence and sustainability of their capital plans, by setting estimates and limits, and publishing actuals, for a range of indicators.
Prudential Borrowing	Permissible borrowing within defined affordable limits.
Prudential Code (CIPFA)	Local Authorities determine their own programmes of capital investment in fixed assets that are central to the delivery of quality local public services. The Prudential Code has been developed as a professional code of practice to support them in taking these decisions. The Prudential Code underpins the overall system of capital finance. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable.
PWLB	Public Works Loans Board – a statutory body operating within the Debt Management Office of the HM Treasury and is

	responsible for lending money to local authorities and other prescribed bodies.
Risk Appetite	The level of risk Local Authorities wish to take in the lending of surplus monies. The Council operates a low risk appetite, i.e. only investing with low risk counterparties, where the security and liquidity of cash are more important than yield (return).
Specified Investments	Investments that are made in sterling, do not exceed 364 days in term, do not involve the acquisition of share or loan capital, are made with the UK Government or a local authority, or with a financial institution and meet the minimum credit criteria.
Treasury Management Code of Practice (CIPFA)	Provides Local Authorities with standards and guidance to support and underpin their overall Treasury Management activities.
Yield (Return)	The return on an investor's capital investment. The higher the yield the higher the risk of the capital invested.

Prudential and Treasury Indicators	
Affordability of Capital Plans:	
Indicator 1 – Capital Expenditure	This details the Council's approved capital spending plans for the next 3 years and reports on the outturn from the previous financial year. These estimates are reporting decisions agreed previously in the Capital Programme report, and therefore there is no subjectivity to this indicator.
Indicator 2 - Ratio of Financing Costs to Net Review Stream	This shows the revenue costs (the capital financing costs less investment income earned) as a percentage of the total revenue budget. There is a separate calculation for the General Fund and the HRA. Again, these estimates have been agreed by Committee through the Revenue Budget setting report or in the Medium Term Financial Strategy.
Indicator 3 – Capital Financing Requirement (CFR)	The CFR measures the Council's overall borrowing requirement for capital purposes, i.e. that element of previous and proposed capital spending which has been/will be funded from borrowing. The Prudential Code requires that net external borrowing does not exceed the CFR.
Indicator 4 – Incremental Impact of Capital Investment Decisions on Council Tax and Housing Rents	This indicator seeks to demonstrate the additional costs, to be funded from the Council Tax and Housing Rent of the Council's capital spending plans, i.e. the capital plans to be funded from borrowing. These estimates are in line with the General Fund and HRA Revenue Budget setting reports.
Treasury Management	

Indicator 5 – Authorised Limit for External Debt	The Council is required to set external borrowing limits consistent with the Revenue Budget and Capital Programme. The Authorised Limit is based on a prudent limit, with additional headroom to allow for unusual cash movements.
Indicator 6 – Operational Boundary for External Debt	The Operational Boundary is based on the same estimates as the Authorised Limit, but does not include any additional headroom. The Operational Boundary is the current debt plus additional planned borrowing, plus 10% of next years revenue budget for cash flow purposes.
Indicator 7 – Fixed and Variable Interest Rate Exposure	This indicator seeks to ensure that the Council limits its exposure to the risk of interest rate changes and the subsequent impact of such changes on the interest payments on loans (a revenue expense), by restricting the proportion of variable rate borrowing.
Indicator 8 – Upper and Lower Limits for the maturity structure of borrowings	This indicator also seeks to ensure the Council controls its exposure to the risk of interest rate changes by limiting the proportion of debt due to be repaid in any one year. Debt is ordinarily replaced on maturity and therefore it is important that the Council is not forced to replace a large proportion of loans at a time of relatively high interest rates (aimed at mitigating any potential impact on the revenue budget).
Indicator 9 – Upper Limit for the maturity structure of Investments	Under the Prudential Code councils are free to invest for periods of greater than 1 year. This indicator sets restrictions on the proportion of investments committed for longer periods in order to limit the risks associated with being unable to meet unexpected cash flows and/or being able to take advantage of future increases in interest rates.

Report to the Cabinet **Wards: ALL**

22nd September 2025

Citywide Fencing – Pre-procurement Approval

Report of the Corporate Director for Legal Services and Partnerships

This is a Key Decision

The matter is in the Forward Plan ref 0043/25.

1. Purpose of the Paper and Summary

1.1 This report seeks Cabinet approval for the recommended procurement route and tender assessment criteria for the procurement of citywide fencing works, for an initial period of 3 years, with an option to extend contract arrangements beyond the initial term, for a period not exceeding an additional 12 months in total, with a forecasted value of £650,000 per annum.

1.2 Approval of the report will allow for the procurement of competent contractors who will ensure the Council continues to deliver value for money fencing works to enhance the letting of void properties and other smaller schemes through the City.

2. Recommendations

2.1 That Cabinet approve an Open Tender procurement to award contractors to undertake citywide fencing works, for an initial period of 3 years, with an option to extend contract arrangements beyond the initial term for a period not exceeding an additional 12 months in total, with a forecasted value of £650,000 per annum, total possible value £2.6 million if extension is taken.

2.2 That the contract commences on 1 January 2026 and will directly follow on from the existing but outgoing contractual arrangements due to expire on 31st December 2025.

2.3 That the contract will be tendered as follows:

1. **Fencing Lot 1** – Citywide Repairs, Maintenance and Voids. (£500,000 per annum) – Single Supplier Framework

2. **Fencing Lot 2** – Citywide Community Fencing. (£150,000 per annum) – a framework with two suppliers will be awarded, a primary supplier with a secondary supplier. The primary supplier will be awarded all work and the secondary reserve supplier for additional capacity or when the primary supplier cannot deliver.

2.4 That the tenders for this contract will be evaluated using a price/quality split of 60% price and 40% quality, including a 5% social value.

2.5 That delegated authority is given to the Assistant Director of Neighbourhoods and Housing to appoint the supplier(s), in consultation with the Director of Legal Services and Partnerships and the Assistant Director of Legal, providing the most advantageous bid(s) by Decision Record with an accompanying tender outcome report.

3. Reasons for Recommendations

3.1 The open tender procurement route will enable the continuous delivery of fencing works across the city and will provide the maximum opportunity for the participation of local fencing contractors in the tender process.

3.2 The framework agreement will be awarded for an initial 3-year period with an option to extend contract arrangements beyond the initial term for a period not exceeding an additional 12 months in total, as agreed by the Assistant Director of Neighbourhoods and Housing, in consultation with the Assistant Director of Legal.

3.3 This new contract commencing on 1 December 2025 and will follow on from the outgoing current arrangements. .

4. Key Organisational Impacts

4.1 Impact on other Executive Committees (including Area Committees) and decision makers:

4.1.1 All areas of the City will be affected by the fencing contract, which includes specific fencing schemes along with the replacement of fences including for void properties in order to help with improving security and assist with the reletting of properties.

4.2 Contribution to the delivery of the Community Plan, the Council Plan and/or Area Plans:

4.2.1 This decision supports the following Community Plan ambitions:

Ambition 1: Safe and Welcoming Neighbourhoods

Provide opportunity for community engagement and financial investment that puts residents, their homes and their neighbourhoods first.

4.3. Impact on other key strategies/business plans:

4.3.1 This decision will also support the Neighbourhoods and Housing Business Plan 2021-2026. In particular.

- Understanding customers' needs
- Setting clear service standards
- Enabling access to safe, warm place to live

4.4. Equalities Impact Information

4.4.1 An Equalities Impact Analysis Screening Tool has been completed and approved; please see attached.

5. Consultation

5.1 Corporate Procurement has been consulted on the various procurement options available for fencing works. The outcomes of these discussions form the basis of the recommendations and are included within the Options and Risk Assessment section of this report.

5.2 All tenants are engaged as part of the lettings process where it is necessary to undertake fencing works soon after the tenant moves in.

5.3 All proposed scheme fencing is progressed by the area teams who undertake the necessary consultation on an individual case-by-case basis with relevant tenants and ward members.

6. Background

6.1 There is an ongoing need for fencing provision, including the replacement of existing damaged, worn or rotten fencing. The revenue repair and capital replacement of fencing to council homes on an annual basis is funded through the Housing Revenue Account (HRA). Since this is a demand led service, the fencing works are valued at c£650k per annum, delivering relet fencing works, repair and maintenance of Citywide communal fencing.

6.2 Included under this contract is the replacement of rear fencing where required to assist in the letting of approximately 1,300 properties per annum for new tenancies, and the provision of new/replacement works of area based funded fencing scheme, to help deliver the provision of secure homes and neighbourhoods for the resident of Hull.

6.3 The fencing works are currently being delivered via a framework arrangement which was secured from an earlier procurement exercise in 2022.

6.4 The procurement route proposed will enable the continued delivery of value for money and quality fencing works and will provide the maximum opportunity for the participation of local fencing contractors in the tender process –promoting the opportunity for local delivery, minimising the time taken to mobilise on site and complete works.

7. Issue for consideration

7.1 The most appropriate procurement route for these fencing works requirements is a key consideration. Prior to tendering, the Council frequently reviews appropriate public sector frameworks to assess their suitability for use; consideration of these is covered in detail below at Section 8.

7.2 For this particular contract however it is being recommended that the Council undertakes its own independent 'open' tender process; this is because the Council has in recent years been very well served in the delivery of fencing works by a number of local fencing contractors who have provided both quality and value, including the supplier for the current (outgoing) contract; however many of the local fencing contractors are not currently appointed on to public sector frameworks.

7.3 Although capital programming provides for indicative three-year medium-term budgets, spending proposals are reviewed annually through the business planning and budget setting processes.

7.4 It is proposed that the fencing works are procured in such a way as to ensure that all proposed works for future financial years is dependent on available budget and the tender will make it clear that the volume / value of future works is therefore not guaranteed.

8. Options and Risk Assessment

8.1 **Option 1 – Frameworks -** Utilise existing frameworks to undertake the procurement and delivery. There are currently no available frameworks that include local and SME contractors: therefore, this option is not recommended as it does not provide an opportunity for local nor SME companies that this contract has the ability to do.

8.2 **Option 2 – Open Tender** – Undertake an open tender procedure to award a framework agreement. This is the recommended procurement route for the contract as this will allow for the maximum opportunity for supplier participation, including local fencing contractors. This tender opportunity will be advertised using the Council's YORtender e-procurement portal and will also be advertised on the Find a Tender Service (FTS) national public platform. Lot 1 will be awarded to a single supplier, and Lot 2 shall be a framework with a primary and secondary supplier.

8.3 **Option 3 – Do nothing** – which is not recommended as this would contravene the Procurement Act 2023. Continuing with the existing arrangements past the contract expiry date is not an option and could be subject to legal challenge.

Not undertaking a procurement exercise would leave the Authority without access to a fencing contractor which in turn will lead to the letting of properties without secure rear gardens (defendable space) which will increase the risk of theft from customer's gardens and outbuildings and the potential for an increase in claims. This would be high risk for customers with young children, vulnerable persons and family pets.

Not undertaking fencing works as part of the letting process may lead to properties not being able to be let, resulting in increased vacant property levels and additional loss of income to the HRA.

9. Comments of the Monitoring Officer (Assistant Director of Legal Services and Governance)

9.1. The recommendations of the report are noted and supported. The Council requires a fencing contractor to ensure high quality fencing is available for properties owned by the Council and for other land that the Council owns. The proposed framework for fencing is in accordance with the Council's Contract Procedure Rules and the Procurement Act 2023. (PG)

10. Comments of the Section 151 Officer (Director of Finance and Transformation)

10.1. The Director of Finance and Transformation notes the report and confirms resources are available in the HRA revenue budget and capital programme for these works. SC.

11. Comments of the Assistant Director OD & HR and compliance with the Equality Duty

11.1. To be completed by the Human Resources City Manager (Addressing any staffing implications and compliance with the Equality Duty)

12. Comments of Overview and Scrutiny

12.1. This report is due to be considered by the Overview and Scrutiny Management Committee at its meeting to be held on 19 September 2025. Any comments or recommendations agreed by the Committee will be submitted to Cabinet for consideration. Ref: Sc8905 [MK].

13. Comments of the Portfolio Holder for Economic Renewal, Housing and Organisational Development

13.1 It's important for the council to be able to maintain and replace rotten or damaged fencing in its areas of council housing across the city. Therefore I support the recommendations in this report." (PF0050)

Ian Anderson, Corporate Director of Legal Services and Shared Partnerships

Contact Officer: Brad Smith Telephone No.: 61(5471)

Officer Interests: None

Background Documents: -

Draft specification

Implications Matrix

This section must be completed, and you must ensure that you have fully considered all potential implications

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes

I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	No
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	N/A
Any human rights implications are included within the report	N/A
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	N/A
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	N/A
I have considered how the decision may contribute or impact on culture and heritage within the city.	Yes
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and	N/A

included any resulting actions or opportunities necessary to improve air quality in the report.	
I have considered the impact on Children Looked After and Care Leavers and any resulting actions/implications have been included within the report.	No

Hull City Council

Equality Impact Analysis Screening Tool 2025

The purpose of carrying out this equality impact analysis is to provide evidence that you have paid 'due regard' to the different protected characteristics when making your decision upon the policy, service, or function. It is also a tool that will enable you to meet the 3 aims of the general equality duty:

1. **Eliminating unlawful discrimination**
2. **Advancing equality of opportunity**
3. **Fostering good relations**

Title of policy, project, service, function, or strategy?
Procurement of Citywide fencing works

Directorate:	Legal Services and Partnerships
Service:	Neighbourhoods and Housing
Lead Officer:	Clare Leader
Date:	29/07/2025

Section 1. Introduction and Context
What is the aim of the policy, project, service, function, or strategy?
To tender for citywide fencing works to enhance the letting of void properties and other smaller schemes throughout the City.
What outcomes will be achieved with the new or changing policy/service?
To ensure the provision of fencing is continuously provided.
Are there any associated/ linked policies, services, or procedures? If yes, please detail: Yes☐No☒

Section 2. Please use this part of the screening tool identify any positive or negative impacts on the different protected characteristics. Please ensure that you refer to any research or data you have used to identify these impacts.

Please tick at least one option per protected characteristic. Think about barriers people may experience in accessing services, how the policy is likely to affect the promotion of equality, knowledge of customer experiences to date. You may need to think about sub-groups within categories e.g. older people, younger people, people with hearing impairment etc.

	Potential Positive Impact	Potential Negative Impact	No Disproportionate Impact	Additional Information (include reference to any consultation or research here)
Age	☐	☐	☒	
Disability	☐	☒	☐	Just to ensure that any communal fencing which has gate access, provides the adequate space for wheelchair users.
Sex	☐	☐	☒	

Gender Reassignment	☐	☐	☒	
Marriage or Civil Partnership	☐	☐	☒	
Pregnancy or Maternity	☐	☐	☒	
Race	☐	☐	☒	
Religion or Belief	☐	☐	☒	
Sexual Orientation	☐	☐	☒	
Non-Statutory - Socio-economic	☐	☐	☒	

Who Does the policy or decision impact?			
	Yes	No	Indirectly
Service Users	☐	☐	☒
Carers of Family	☐	☐	☒
General Public	☐	☒	☐
Staff	☐	☒	☐
Partner Organisation	☐	☒	☐

Should a full EIA be completed for this policy, project, service, function, or strategy?	
Yes ☐	No☒
Please explain the reason for this decision. *Please use the box below to identify whether or not the policy, function or service has specific relevance to equality and will therefore need to undergo a full Equality Analysis*	
A full equality impact assessment is not required as the provision to procure fencing work does not directly impact anyone with any of the protected characteristics. This procurement of fencing works is a continuation of a service provision that already exists.	

Section 3. Quality assurance and publishing
Please ensure that screening tool has been quality assured by a member of the Equality Team and agreed a full Equality Analysis is not required.

Senior Officer	Clare Leader	Date:	29/07/2025

Equality Officer		Date:	30/07/2025

	B	C	D	E	F	G	H	I	J
1	**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE 2025=26**								
2	**CHAIR: Clllr Robinson**	**DEPUTY : Cllr Kemp**		**DIRECTOR/ LEAD OFFICER David Bell**				**PORTFOLIO HOLDERS: Councillors Ross, Dad, Haines.**	
3									
4		**Upload Deadline**		**Agenda Items**	**Responsible Officer (In attendance)**	**Requested By/When**	**Format**	**Key Lines of Enquiry/Other comments**	**Reason for Submission and Actions (the reason for submission should be specified in the level 1 cell, action in level 2 cells)**
81	**24-Oct-25**	**15-Oct-25**		Minutes of the September Meeting	Alex Holgate		N/A	Standing Item (Monthly)	
82	**24-Oct-25**	**15-Oct-25**		Leader's Priorities	Cllr Mike Ross			To detail the Leader's priorities for 2025-2026, enabling the Committee to consider the elelments that should be focussed on and monitored during the year.	
83	**24-Oct-25**	**15-Oct-25**		Revenue Budget Monitoring Report	David Bell / Tracy Parker	Standard Item (Quarterly)	Cabinet Monitoring Report	To provide an updated overview of progress against budget and planned activity for the 2025/26 revenue programme.	
84	**24-Oct-25**	**15-Oct-25**		2025/26 Capital Monitoring – First Formal Report and Treasury Management	David Bell	Standing Item - Quarterly	Cabinet Report	To provide Members with an updated overview of progress against budget and planned activity for the 2024-25 capital programme.	Meeting 20.06.25 - Output Report = That other anomalies in the figures within the report highlighted by the Committee members, such as the overprogramming of the capital programme, will be addressed by the Director of Finance at the July OSMC meeting.
85	**24-Oct-25**	**15-Oct-25**		Digital Strategy	David Bell (Mike Kenworthy / Richard Barker)	Meeting of 20.06.25)		That a report on the Dgital Strategy will he presented to the Committee in Autumn 2025. (Advised by DB in the meeting)	
86	**24-Oct-25**	**15-Oct-25**		Household Support Fund – Update on distribution of funds	David Bell / Tracy Parker	Standard Item	Briefing Paper	To update members on the distribution of Household Support Funding (HSF).	
87	**24-Oct-25**	**15-Oct-25**		Disposal of Option Land at Sewell Craven Park, Preston Road, Hull	Chris Jackson/ Nick Howbridge		Cabinet Report		
88	**24-Oct-25**	**15-Oct-25**		Salix Funding	Chris Jackson/Claire Bradbury		Cabinet Report	OFFICIAL	
89	**24-Oct-25**	**15-Oct-25**		Committee Resolution List	Alex Holgate	Standing Item (Monthly)	Resolution List	To ensure any outstanding actions are being addressed in a timely manner.	
90	**24-Oct-25**	**15-Oct-25**		Draft Overview & Scrutiny Management Committee Work Programme 2025-26	Alex Holgate		Work Programme	To ensure the relevance and timings of the items within the work programme; to consider whether any future items could be considered 'off agenda'; to consider the following regarding items within the future work programme: • How does the matter relate to the current work programme for the Committee? • Does the matter relate to the City Plan? • How does the matter relate to monitoring of current policy or performance?	
91	**21-Nov-25**	**12-Nov-25**		Minutes of the October Meeting	Alex Holgate		N/A	Standing Item (Monthly)	
92	**21-Nov-25**	**12-Nov-25**		Deputy Leader's Priorities	Cllr Jackie Dad			To detail the Deputy Leader's priorities for 2025-2026, enabling the Committee to consider the elelments that should be focussed on and monitored during the year.	

	B	C	D	E	F	G	H	I	J
93	**21-Nov-25**	**12-Nov-25**		Director of Finance & Transformation Presentation	David Bell	Standing Item (monthly)	Presentation	To update the Commisison on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.	
94	**21-Nov-25**	**12-Nov-25**		Medium Term Financial Plan – Update Report	David Bell	Standing Item - Quarterly	Cabinet Report	To update Members on the latest expectations informing the Medium Term Financial Plan (MTFP) and to outline a budget approach which will inform the detailed formal budget proposals later in the year.	
95	**21-Nov-25**	**12-Nov-25**		Capital Budget Monitoring Report	David Bell / Tracy Parker	Standing Item	Cabinet Report	The second formal report for the financial year 2023-24 which explains the current position, gives reasons for the most significant variances, and sets out the management actions being taken where appropriate.	
96	**21-Nov-25**	**12-Nov-25**		Treasury Management Strategy Statement and Annual Investment Strategy – Mid Year Review Report 2025/26	David Bell (David Bell/ Mike Armstrong)	Standing Item (Annual)	Cabinet Monitoring Report	To consider the in year performance and identify if there are any potential areas for improvement.	
97	**21-Nov-25**	**12-Nov-25**		Committee Resolution List	Alex Holgate	Standing Item (Monthly)	Resolution List	To ensure any outstanding actions are being addressed in a timely manner.	
98	**12-Dec-25**	**3-Dec-25**		Minutes of the November Meeting	Alex Holgate		N/A	Standing Item (Monthly)	
99	**12-Dec-25**	**3-Dec-25**		Director of Finance & Transformation Presentation	David Bell	Requested Item (16.02.18)		To update the Committee on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.	
100	**12-Dec-25**	**3-Dec-25**		Committee Resolution List	Alex Holgate	Standing Item (Monthly)	Resolution List	To ensure any outstanding actions are being addressed in a timely manner.	
101	**23-Jan-26**	**14-Jan-26**		Minutes of the December Meeting	Alex Holgate		N/A	Standing Item (Monthly)	
102	**23-Jan-26**	**14-Jan-26**		Director of Finance & Transformation Presentation	David Bell	Standing Item (Monthly)	Head of Service Presentation/ Briefing	To update the Commission on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.	
103	**23-Jan-26**	**14-Jan-26**		Revenue Budget Monitoring 2025-26 – Third Formal Report	David Bell (David Bell/ Chairs of Scrutiny Commissions)	Standard Item (Quarterly)	Cabinet Monitoring Report	A report setting out the General Fund revenue budget monitoring position and also those for the Dedicated Schools Grant (DSG) and the Housing Revenue Account (HRA). To include feedback from the Chairs of the Scrutiny Commissions on the financial pressures within their Commission areas.	Pre-Decision Scrutiny
104	**23-Jan-26**	**14-Jan-26**		Council Tax Base Report 2025/26	David Bell (Amanda Renton)	Standard Item (Quarterly)	Cabinet Report	This report explains how the Council Tax Base for 2022/23 has been calculated and the timetable required to meet the statutory requirements of the Local Government Finance Act 1992 as amended by the Local Government Act 2003 and the Local Government Finance Act 2012.	Pre-Decision Scrutiny
105	**23-Jan-26**	**14-Jan-26**		Committee Resolution List	Alex Holgate	Standing Item (Monthly)	Resolution List	To ensure any outstanding actions are being addressed in a timely manner.	
106	**23-Jan-26**	**14-Jan-26**		Draft Overview & Scrutiny Management Committee Work Programme 2024-25	Ian Anderson (Alex Holgate)		Work Programme	To ensure the relevance and timings of the items within the work programme, to consider whether any future items could be considered 'off agenda'; to consider the following regarding items within the future work programme: • How does the matter relate to the current work programme for the Committee? • Does the matter relate to the City Plan? • How does the matter relate to monitoring of current policy or performance?	
107	**13-Feb-26**	**4-Feb-26**		**BUDGET MEETING**					

OFFICIAL

	B	C	D	E	F	G	H	I	J
108	**13-Feb-26**	**4-Feb-26**		Council Budget Reports 2026/27					
109	**13-Feb-26**	**4-Feb-26**		General Fund Revenue Budget 2026/27 and Medium-Term Financial Plan 2026/27 to 2028/29					
110	**13-Feb-26**	**4-Feb-26**		Review of Locally Defined Discounts for Council Tax in 2026					
111	**13-Feb-26**	**4-Feb-26**		Capital Strategy 2026-27 to 2029-30					
112	**13-Feb-26**	**4-Feb-26**		Housing Revenue Account Budget Setting 2026/27 and Beyond, Report of the Leader of the Council					
113	**13-Feb-26**	**4-Feb-26**		Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2025-26					
114	**20-Feb-26**	**11-Feb-26**		Minutes of the January Meeting	Alex Holgate		N/A	Standing Item (Monthly)	
115	**20-Feb-26**	**11-Feb-26**		Director of Finance & Transformation Presentation	David Bell	Standing Item (Monthly)	Head of Service Presentation/ Briefing	To update the Commission on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.	
116	**20-Feb-26**	**11-Feb-26**		2025/26 Capital Monitoring and Treasury Management Prudential Indicators - Third Formal Report'	David Bell (David Bell / Mike Armstrong)	Standard Item (Quarterly)	Cabinet Monitoring Report	OFFICIAL To confirm that the 2023/24 Capital Programme is on profile, and should they occur, if any overspends or underspends should be subject to further scrutiny.	
117	**20-Feb-26**	**11-Feb-26**		Committee Resolution List	Alex Holgate	Standing Item (Monthly)	Resolution List	To ensure any outstanding actions are being addressed in a timely manner.	
118	**20-Mar-26**	**11-Mar-26**		Minutes of the February Meetings	Fona Harbord	Standing Item			
119	**20-Mar-26**	**11-Mar-26**		Director of Finance & Transformation Presentation	David Bell	Standing Item (Monthly)	Head of Service Presentation/ Briefing	To update the Commission on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.	
120	**20-Mar-26**	**11-Mar-26**		Revenue Budget Monitoring 2025-26 – Fourth Formal Report	David Bell (David Bell/ Chairs of Scrutiny Commissions)	Standard Item (Quarterly)	Cabinet Monitoring Report	A report setting out the General Fund revenue budget monitoring position and also those for the Dedicated Schools Grant (DSG) and the Housing Revenue Account (HRA). To include feedback from the Chairs of the Scrutiny Commissions on the financial pressures within their Commission areas.	Pre-Decision Scrutiny

	B	C	D	E	F	G	H	I	J
121	**20-Mar-26**	**11-Mar-26**	PROVISIONAL - EXEMPT	Hull Culture and Leisure Ltd – 6 Month Update	Ian Anderson (Kath Wynne Hague/ Tracy Balaam-Reed)		ECC Formal Report	This report provides an update on the position of the company at quarter 3 2025/26.	
122	**20-Mar-26**	**11-Mar-26**	PROVISIONAL - EXEMPT	Hull Culture & Leisure (HCAL) Business Plan: 2025-30	Ian Anderson (Kath Wynne Hague/ Tracy Balaam-Reed)		ECC Formal Report	To provide for the consideration of the Executive Commissioning Committee (ECC) HCAL's new Business Plan 2025-30 and determine the Council's response through recommendations to the ECC.	
123	**20-Mar-26**	**11-Mar-26**	PROVISIONAL - EXEMPT	KWL – Business Plan	Ian Anderson (Kath Wynne Hague/ Tracy Balaam-Reed)		ECC Formal Report	To provide the Executive Commissioning Committee (ECC) with the updated draft KWL Business Plan for the period 2025-27 for review.	
124	**20-Mar-26**	**11-Mar-26**		Committee Resolution List	Alex Holgate	Standing Item (Monthly)	Resolution List	To ensure any outstanding actions are being addressed in a timely manner.	
125	**24-Apr-26**	**15-Apr-26**		Minutes of the March Meeting	Fona Harbord	Standing Item			
126	**24-Apr-26**	**15-Apr-26**		Director of Finance & Transformation Presentation	David Bell	Requested Item (16.02.18)		To update the Commisison on any service, policy or strategy developments that fall within the remit of the Commission, with a view to the Commission including them in the future work programme if they consider it appropriate.	
127	**24-Apr-26**	**15-Apr-26**		Peer Challenge Action Plan	Nathan Turner				
128	**24-Apr-26**	**15-Apr-26**		Supported Housing Review	Tracy Meyerhoff	NKD	Cabinet Pre-decision Report	Review of Hull City Council's in-house Supported Housing Offer and the Future Use of Charles Brady Court.	
129	**24-Apr-26**	**15-Apr-26**		Review of the 2024/25 Work Programme and Consideration of the 2025/26 Work Programme	Ian Anderson (Alex Holgate)		Report	To enable the Commission to review the work undertaken over the course of the current Municipal Year and discuss key themes or potential agenda items they would like to see included in the Draft 2024/245Work Programme.	

OFFICIAL